

local exchange carrier is sold to an entity other than a price cap local exchange carrier, and the study area or portion thereof was not offered for sale prior to January 1, 2000, then the support that would otherwise be provided under this subpart, had such study area or portion thereof not been sold, will not be distributed or collected. Subsequent calculations will use the last reported data for the study area or portion thereof that was sold to determine the amount that will not be distributed or collected.

(c) In the event that a price cap local exchange carrier acquires additional exchanges, from an entity other than a price cap local exchange carrier, that acquisition should be reported to the Administrator pursuant to § 54.802 and included in the determination of study area support pursuant to § 54.806 for the areas served by the acquiring price cap LEC, beginning with the next support recalculation pursuant to § 54.808.

(d) In the event that a price cap local exchange carrier acquires additional exchanges from an entity that is also a price cap local exchange carrier, the acquiring price cap local exchange carrier will receive support under this subpart at the same level as the selling price cap local exchange carrier formerly received, and both carriers will adjust their line counts accordingly beginning with the next quarterly report to the Administrator. At the subsequent report to the Administrator for purposes of recalculating support as required by § 54.808, the acquiring and selling price cap local exchange carriers will reflect the acquired and sold lines, and will adjust the Average CMT Revenue per Line month for the affected study areas accordingly.

(e) The Administrator for the fund created by this subpart shall be the Universal Service Administrative Company.

[65 FR 38690, June 21, 2000; 65 FR 57739, Sept. 26, 2000]

**§ 54.802 Obligations of local exchange carriers and the Administrator.**

(a) Each Eligible Telecommunications Carrier that is providing service within an area served by a price cap local exchange carrier shall submit to the Administrator, on a quarterly basis

on the last business day of March, June, September, and December of each year line count data showing the number of lines it serves for the period ending three months prior to the reporting date, within each price cap local exchange carrier study area disaggregated by UNE Zone if UNE Zones have been established within that study area, showing residential/single-line business and multi-line business line counts separately. For purposes of this report, and for purposes of computing support under this subpart, the aggregated residential/single-line business class lines reported include single and non-primary residential lines, single-line business lines, ISDN BRI and other related residential class lines. Similarly, the multi-line business class lines reported include multi-line business, centrex, ISDN PRI and other related business class lines assessed the End User Common Line charge pursuant to § 69.152 of this chapter. For purposes of this report and for purposes of computing support under this subpart, lines served using resale of the price cap local exchange carrier's service pursuant to section 251(c)(4) of the Communications Act of 1934, as amended, shall be considered lines served by the price cap local exchange carrier only and must be reported accordingly.

(b) In addition to the information submitted pursuant to paragraph (a) of this section, each price cap local exchange carrier must submit to the Administrator, on June 30, 2000, October 15, 2000, and April 16, 2001 and annually thereafter or as determined by the Administrator according to § 54.808:

(1)(i) Average Price Cap CMT Revenue per Line month in a study area for each of its study areas;

(ii) The rates established for UNE Loops and UNE Line Ports, by zone in those study areas where UNE Zones have been established as of the date of filing; and

(iii) Make available information sufficient to determine the boundaries of each UNE Zone within each of its study areas where such zones have been established;

(2) Provided, however, that after the June 30, 2000 filing, if there have been no changes since its previous filing a

company may submit a statement that there have been no changes in lieu of such information, and further provided that, for study areas in which UNE Zones have been newly established since the last filing pursuant to this paragraph, the price cap local exchange carrier shall also report the information required by paragraphs (b)(1)(ii) and (b)(1)(iii) of this section to the Administrator on July 15, 2000, or January 15, 2001, as required.

(c) An eligible telecommunications carrier shall be eligible for support pursuant to this subpart only after it has filed all of the information required by paragraphs (a) through (c) of this section, where applicable. An eligible telecommunications carrier shall receive payment of support pursuant to this subpart only for such months the carrier is actually providing service to the end user. The Administrator shall ensure that there is periodic reconciliation of support payments.

(d) Upon receiving the information required to be filed in paragraphs (a) and (b) of this section, the Administrator shall:

(1) Perform the calculations described in §§ 54.804 through 54.807 of this subpart;

(2) Publish the results of these calculations showing Interstate Access Universal Service Support Per Line available in each price cap local exchange carrier study area, by UNE Zone and customer class;

(3) Collect the funds necessary to provide support pursuant to this subpart in accordance with subpart H;

(4) Distribute support calculated pursuant to the rules contained in this subpart; and

(5) Report quarterly to the Commission on the collection and distribution of funds under this subpart as described in § 54.701(g). Fund distribution reporting will be by state and by eligible telecommunications carrier within the state.

[65 FR 38690, June 21, 2000; 65 FR 57739, 57740, Sept. 26, 2000]

**§ 54.803 Universal service zones.**

(a) The zones used for determining interstate access universal service support shall be the same zones that would be used for End User Common Line

(EUCL) charge deaveraging as described in § 69.152(q)(2) of this chapter.

(b) In a price cap study area where the price cap local exchange carrier has not established state-approved prices for UNE loops by zone, the Administrator shall develop an estimate of the local exchange carrier's Zone Above Benchmark Revenues for transitional purposes, in order to reserve a portion of the fund for that study area. This estimate will be included by the Administrator in the Nationwide Study Area Above Benchmark Revenues calculated pursuant to § 54.806.

(1) For the purpose of developing this transitional estimate, the loop and port costs estimated by the FCC cost model, or other substitute method if no model is available, shall be used.

(2) For the purpose of developing this transitional estimate, the administrator shall construct three zones. Wire centers within the study area will be grouped into these zones in such a way that each zone is assigned approximately one third of local exchange carrier base period lines in the study area, with the lowest cost wire centers assigned to Zone 1, the highest cost wire centers assigned to Zone 3, and the remainder to Zone 2.

[65 FR 38690, June 21, 2000; 65 FR 57740, Sept. 26, 2000]

**§ 54.804 Preliminary minimum access universal service support for a study area calculated by the Administrator.**

(a) If Average Price Cap CMT Revenue per Line month is greater than \$9.20 then: Preliminary Minimum Access Universal Service Support (for a study area) = Average Price Cap CMT Revenue per Line month in a study area \* price cap local exchange carrier Base Period Lines \* 12) – (((\$7.00 \* price cap local exchange carrier Base Period Residential and Single-Line Business Lines \* 12) + (\$9.20 \* price cap local exchange carrier Base Period Multi-line Business Lines \* 12)).

(b) If Average Price Cap CMT Revenue per Line month in a study area is greater than \$7.00 but less than \$9.20 then: Preliminary Minimum Access Universal Service Support (for a study area) = (Average Price Cap CMT Revenue per Line month in a study area—